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BEFORE THE POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

In the Matter of:
Witten Post Office
Witten, South Dakota 57584

Docket No. A2012-53

UNITED STATES POSTAL SERVICE <u>COMMENTS REGARDING APPEAL</u> (December 29, 2011)

On November 4, 2011, the Postal Regulatory Commission (Commission) received a petition for review postmarked October 26, 2011, from Mr. and Mrs. Calvin W. Adel objecting to the discontinuance of the Post Office at Witten, South Dakota. On November 10, 2011, the Commission received a petition for review from Cary Long. On November 15, 2011, the Commission issued Order No. 984, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 984, the administrative record was filed with the Commission on November 21, 2011. Gayle M. Long and Cary Long filed individual Notices of Intervention on November 29, 2011. (The Adels, Gayle Long and Cary Long will be called collectively the "Petitioners").

The appeal and the Notices of Intervention raise three issues: (1) the impact on the provision of postal services, (2) the impact upon the Witten community, and (3) the calculation of economic savings expected to result from discontinuing the Witten Post Office. As reflected in the administrative record of this proceeding, the Postal Service

¹ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,² the Postal Service gave consideration to a number of other issues, including the impact on employees.

Accordingly, the determination to discontinue the Witten Post Office should be affirmed.

Background

The Final Determination To Close the Witten, SD Post Office and Establish Service by Highway Contract Route Service ("Final Determination" or "FD"), ³ as well as the administrative record, indicate that the Witten Post Office provides EAS-53 level service to 43 post office box or general delivery customers and no delivery customers from 9:00 a.m. to 12:30 a.m. and 1:00 p.m. to 2:00 pm, Monday through Friday, and 9:00 a.m. to 10:30 a.m. Saturdays, with lobby hours from 9:00 a.m. to 12:30 p.m. and 1:00 p.m. to 2:00 pm, Monday through Friday, and 9:00 a.m. through 10:30 a.m. on Saturdays. ⁴ The Postmaster of the Witten Post Office retired on January 3, 2007. ⁵ Since the Postmaster vacancy, an officer-in-charge ("OIC") has been installed to operate the office. The noncareer postmaster relief ("PMR") serving as the OIC may be separated from the Postal Service, although attempts will be made to reassign the OIC to a nearby facility. ⁶ The average number of daily retail window transactions at the

²See 39 U.S.C. 404(d)(2)(A).

³The Final Determination can be found at Item 47 in the Administrative Record. All citations to the Final Determination will be to "FD at ____," rather than to Item 47. The FD page number refers to the pages as marked on the upper left of the document. Other items in the administrative record are referred to as "Item ___."

⁴FD at 2, 10; Item No. 9, Workload Service Credit Worksheet; Item No. 15, Post Office Sheet, at 1; Item No.18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Post Office Fact Sheet"), at 1; Item No. 33, Proposal to Close the Witten, SD Post Office and Establish Service by Highway Contract Route Service ("Proposal"), at 2, 10; Item No. 41, Revised Proposal, at 2, 10; Item No. 42, Revised Post Office Fact Sheet.

⁵ FD at 2, 10; Item No.18, Post Office Fact Sheet at 1; Item No. 33, Proposal at 2, 10; Item No. 41, Revised Proposal, at 2, 10; Item No. 42, Revised Post Office Fact Sheet.

⁶FD at 9, 10; Item No. 18, Post Office Fact Sheet; Item No. 33, Proposal, at 10; Item No. 41, Revised Proposal, at 10; Item No. 42, Revised Post Office Fact Sheet.

Witten Post Office is three, accounting for three minutes of workload daily.⁷ Revenue has declined since 2008: \$11,669 (30 revenue units) in FY 2008; \$11,080 (29 revenue units) in FY 2009; and \$9,674 (25 revenue units) in FY 2010.⁸

Upon implementation of the Final Determination, delivery and retail services will be provided by Highway Contract Route ("HCR") service, under the administrative responsibility of the Winner Post Office, an EAS-18 level office located 16 miles away, which has 245 available Post Office Boxes.⁹ This service will continue upon implementation of the Final Determination.¹⁰

The Postal Service followed the proper procedures that led to the posting of the Final Determination. All issues raised by the customers of the Witten Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to all Post Office Box customers of the Witten Post Office. Questionnaires were also available over the counter for retail customers at Witten. A letter from the Manager of Post Office Operations, Sioux Falls, SD, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Witten Post Office was warranted, and that effective and regular service could be provided by HCR delivery and retail services available at the

FD at 2; Item No. 10B, Window Transaction Survey; Item No. 18, Post Office Fact Sheet; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2; Item No. 42, Revised Post Office Fact Sheet.
 FD at 2; Item No. 18, Post Office Fact Sheet; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2; Item No. 42, Revised Post Office Fact Sheet.

⁹FD at 2, 10; Item No. 18, Post Office Fact Sheet; Item No. 33, Proposal, at 2, 10; Item No. 41, Revised Proposal, at 2, 10; Item No. 42, Revised Post Office Fact Sheet.

¹¹FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Witten Post Office; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

Winner Post Office. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service that they were receiving and the effects of a possible change involving HCR delivery. Thirty-four (34) customers returned questionnaires, and the Postal Service responded. In addition, representatives from the Postal Service were available at the Witten Post Office/Town Hall on May 23, 2011, to answer questions and provide information to customers—a fact that was mentioned in the letter to customers as well. Sixteen (16) customers attended. Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Witten Post Office and the Winner Post Office for 60 days beginning June 29, 2011 and ending August 30, 2011.

Thirteen (13) customers returned comments in response to the "Invitation for Comments," after the Proposal was posted. The Postal Service addressed those concerns in letters to customers. The Final Determination was posted at the Witten and Winner Post Offices beginning on October 21, 2011 and ending November 22,

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¹² Item No. 21, Letter to Postal Customer from Manager, Post Office Operations ("Letter to Customer"), at 1.

¹³Item No. 21, Letter to Customer, at 1; Item No. 23, Customer Questionnaire Analysis, at 1.

¹⁴FD at 2; Item No. 22, Returned customer questionnaires and Postal Service response letters; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

¹⁵ FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

¹⁶FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24; Community Meeting Roster; Item No. 25, Community Meeting Analysis, at 1, 2, 3; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2. ¹⁷FD at 2; Item No. 36, Round-date Stamped Proposals.

¹⁸Item No. 38, Customer Comments and USPS Response Letters; Item No.40, Analysis of Comments.

¹⁹Item No. 38, Customer Comments and USPS Response Letters.

²⁰ The Winner Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971 &docType=Library%20References&attrID=&attrName=.

2011, as confirmed by the round-dated Final Determination cover sheets that appear in the administrative record as Item No. 49.

In light of a Postmaster vacancy; minimal workload; low and decreasing office revenue;²¹ the variety of delivery and retail options, including the convenience of HCR delivery and retail service;²² no projected population, residential, commercial, or business growth in the area;²³ minimal impact upon the community; and the expected financial savings,²⁴ the Postal Service issued the Final Determination.²⁵ Regular and effective postal services will continue to be provided to the Witten community in a cost-effective manner upon implementation of the final determination.²⁶

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Witten Post Office on postal services provided to Witten customers. The closing is premised upon providing regular and effective postal services to Witten customers.

The Petitioners raise the issue of the effect on postal services of the Witten Post Office's closing, noting the convenience of the Witten Post Office and requesting its retention. Here, the Postal Service explained that delivery options for Witten residents include HCR delivery (carriers can perform many functions that will avert the need to go

²¹See note 8 and accompanying text.

²²FD at 2, 3, 4, 8, 10; Item No, 33, Proposal, at 2, 3, 4, 9, 10; Item No. 41, Revised Proposal, at 2, 3, 4, 9, 10.

²³Item No. 16, Community Survey Sheet.

²⁴FD at 9, 10; Item No.18, Post Office Fact Sheet; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 10; Item No. 41, Revised Proposal, at 10; Item 42, Revised Post Office Fact Sheet.

²⁵FD at 10.

²⁶FD at 2.

to any Post Office) and the availability of P.O. Boxes and other postal services at the Winner Post Office. Upon implementation of the Final Determination, delivery and retail services will be provided by HCR delivery under the administrative responsibility of the Winner Post Office. In addition to HCR delivery, which is the recommended alternate service, customers may also receive postal services at the Winner Post Office, which is located 16 miles away. The window service hours of the Winner Post Office are from 8:30 a.m. to 2:30 p.m. Monday through Friday, and from 9:00 a.m. to 10:30 p.m. on Saturdays. FD at 2; Item No. 18, Post Office Fact Sheet; Item No. 21, Letter to Customer, at 1; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2, Item No. 42 Revised Post Office Fact Sheet. Furthermore, the special attention and assistance provided by the Witten Post Office will be provided by personnel at the Winner Post Office and from the carrier. FD at 3; Item No. 22, Response Letter to Postal Customer (P. Peake); Response Letter to Town of New Witten; Response Letter to S. Novak, Item No. 23, Customer Questionnaire Analysis, at 2, 3; Item No. 33, Proposal, at 3; Item No. 41, Revised Proposal, at 3. With the exception of P.O. Box customers or situations in which customers need to retrieve a package that does not fit in a roadside box and is not eligible to be placed somewhere safely in their home (such as on a porch or under a carport), the choice of Winner over any other Post Office does not have a large impact. As explained throughout the administrative record, carriers can perform many functions (at the same time that the carrier delivers the mail) that will avert the need to go to any Post Office, Winner or otherwise, or even having to interact with a carrier for most postal transactions.

Petitioners also express concern for senior citizens. The Postal Service explained that carrier service is especially beneficial to many senior citizens and those who face special challenges because the carrier can provide delivery and retail services to roadside mailboxes.. FD at 4; Item 22, Response to Marlin Changing Whirlwind; Item No. 23, Customer Questionnaire Analysis, at 2; Item No. 33, Proposal, at 4; Item No. 41, Revised Proposal, at 4. Customers do not have to make a special trip to the Post Office for service. FD at 4; Item No. 22, Response to K. Fay, Response to S. O'Bryan, Response to Witten Volunteer Fire Department, Response to C&J Adel; Response to S. West, Response to M. McAnally; Item No. 23, Customer Questionnaire Analysis, at 2, 4; Item No. 25 Postal Service Customer Community Meeting Analysis at 1, Item No. 33, Proposal at 4; Item No. 41, Revised Proposal, at 4. Stamps by Mail and Money Order Application forms are available for customer convenience, and stamps are also available at many stores and gas stations, online at usps.com, or by calling 1-800-STAMP-24. FD at 3, 4; Item No. 22, Response to M&M Weatherman; Item No. 23, Customer Questionnaire Analysis, at 3; Item No. 33, Proposal at 3, 4; Item No. 41, Revised Proposal, at 3, 4. Customers can also request special services, such as certified, registered, or Express Mail, delivery confirmation, signature confirmation, and COD from the carrier. FD at 2, 3, 4; Item No. 22, Response to M&M Weatherman, Response to C. Sundquist; Item No. 23, Customer Questionnaire Analysis, at 3; Item No. 33, Proposal at 2, 3, 4; Item No. 41, Revised Proposal, at 2, 3, 4. Customers who desire such special services may leave a note in their box instructing the carrier to sound the horn and then meet the carrier to receive the services, or may leave a note with payment and the carrier will leave a receipt the next day. FD at 2, 3, 4; Item No.

22, Response to M&M Weatherman, Response to D. Best; Item No. 23, Customer Questionnaire Analysis, at 3; Item No. 33, Proposal at 2, 3, 4; Item No. 41, Revised Proposal, at 2, 3, 4. Further, most transactions do not require meeting the carrier at the mailbox. FD at 3, 4; Item No. 22, Response to M&M Weatherman; Item No. 23, Customer Questionnaire Analysis, at 3; Item No. 33, Proposal at 3, 4; Item No. 41, Revised Proposal, at 3, 4. Special provisions are made, on request, for hardship cases or special customer needs. FD at 4; Item 22, Response to Marlin Changing Whirlwind; Item No. 23, Customer Questionnaire Analysis, at 2; Item No. 33, Proposal, at 4; Item No. 41, Revised Proposal, at 4.

Petitioners also raise the issue of mail security and mail theft. See Cary Long Intervention. Petitioners contend that rural boxes could be demolished by pranksters or criminals, customer's identities could be stolen, and medicines delivered by mail could be taken from the mailboxes. *Id.* The Postal Service sent a questionnaire to the Postal Inspection service concerning mail theft and vandalism in the Post Office area. That agency's records indicate that there have been no reports of mail theft or vandalism in the area. Item No. 14, Inspection Service Vandalism Report, at 1. With respect to the Petitioners' concerns about mail security, the Postal Service has advised customers that they may place a lock on their mailboxes. The mailbox must have a slot large enough to accommodate the customer's normal daily mail volume.

Thus, the Postal Service has properly concluded that all Witten customers will continue to receive regular and effective service via HCR delivery service.

Effect Upon the Witten Community

The Postal Service is obligated to consider the effect of its decision to close the Witten Post Office upon the Witten community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to discontinue a Post Office.

Witten is an unincorporated community located in Tripp County. The community is administered politically by the Tripp County/Witten Town Board. The Sheriff's Department provides police protection, and fire protection is provided by the Witten Fire Department. FD at 8; Item No. 16, Community Survey Fact Sheet; Item No.33, Proposal, at 9; Item No. 41, Revised Proposal, at 9. The questionnaires completed by Witten customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Witten may travel to nearby communities for other supplies and services. *See generally*, FD at 8; Item No. 22, Returned customer questionnaires and Postal Service response letters; Item No. 33, Proposal at 9; Item No. 41, Revised Proposal, at 9. The town has seven businesses and two churches. FD at 8; Item 13, Administrative Postmaster/OIC Comments; Item No. 18, Post Office Fact Sheet; Item No. 33, Proposal at 9; Item No. 41, Revised Proposal, at 9; Item No. 42, Revised Post Office Fact Sheet.

The Petitioners raise the issue of the effect of closing the Witten Post Office upon the Witten community. More specifically, Petitioners contend that closing the Witten Post Office would hurt the community. The Postal Service is cognizant of the importance of the Witten Post Office to members of the community and extensively

considered those issues, as reflected in the administrative record. FD at 3, 8, 9; Item No. 22, Response to B. Tuttle; Item No. 23, Customer Questionnaire Analysis, at 2; Item No. 33, Proposal, at 3, 9; Item No. 41, Revised Proposal, at 3, 9.

For example, a number of customers had expressed a concern about the loss of the community bulletin board at the Post Office. The Postal Service noted that many retail outlets and grocery stores are now displaying a public bulletin board in which information can be exchanged. FD at 8, Item No. 22, Response Letter to Unknown, Response Letter to G. Elder; Item No. 23, Customer Questionnaire Analysis, at 4, 5; Item No. 33, Proposal, at 8; Item No. 41, Revised Proposal, at 9. The Postal Service also noted that the replacement Post Office might have a public bulletin board which may be used to post the same information. FD at 8, Item No. 22, Response Letter to Unknown, Response Letter to G. Elder; Item No. 23, Customer Questionnaire Analysis, at 4, 5; Item No. 33, Proposal, at 8; Item No. 41, Revised Proposal, at 9.

The Postal Service determined that its customers could continue to receive effective postal services elsewhere. Communities generally require regular and effective postal services and these will continue to be provided to the Witten community. HCR delivery service is expected to be able to handle any future growth in the community. FD at 8, 10; Item No. 33, Proposal, at 9, 10; Item No. 41, Revised Proposal, at 9, 10. In addition, the Postal Service has concluded that nonpostal services provided by the Witten Post Office can be provided by the Winner Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 9, Item No. 22, Response Letter to A. Smith, Response Letter to G. Long; Item No. 23, Customer Questionnaire Analysis, at 4; Item

No. 33, Proposal, at 9; Item No. 41, Revised Proposal, at 9. Personnel at the Winner Post Office will provide courteous and helpful service, as well as special assistance as needed. FD at 3; Item No. 22, Response Letter to Postal Customer (P. Peake); Response Letter to Town of New Witten; Response Letter to S. Novak, Item No. 23, Customer Questionnaire Analysis, at 2, 3; Item No. 33, Proposal, at 3; Item No. 41, Revised Proposal, at 3. 3

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Witten Post Office on the community served by the Witten Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that HCR delivery would cost the Postal Service substantially less than maintaining the Witten Post Office and would still provide regular and effective service. Item No. 21, Letter to Postal Customer, at 1. The estimated annual savings associated with discontinuing the Witten Post Office are \$15, 743 (\$21,572 in annual costs, less \$5,829 in costs for replacement service). FD at 9; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 10; Item No. 41, Revised Proposal, at 10. Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record and consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD at 9; Item No. 29, Proposal Checklist, at 2; Item No. 33, Proposal, at 10; Item No. 41, Revised Proposal, at 10.

Petitioners contend that service through the Winner Post Office will not provide much savings because their mail will "be transferred to different locations and be handled by many hands before it actually arrives to our rural boxes." Cary Long Notice of Intervention. Petitioners also contend that the amount of savings in closing this post office is small in comparison to the yearly salary of the Postmaster General. *Id.* There is no evidence of such risk. The Postal Service successfully implements discontinuance actions without risk of the mishandling of mail.

The Postal Service appropriately applied its standard financial analysis in calculating the economic savings. For example, for the calculation of costs for replacement service, the Postal Service considered the following cost drivers: the number of additional boxes to be added to the HCR route (43); the additional miles to be added to the route (4), the additional annual hours added to the route (198.12); and the per hour cost for the carrier (\$29.42). Item No. 17, Highway Contract Route Cost Analysis Form, at 2. The Postal Service's approach is both defensible and reasonable; moreover, it is efficient while adding comparability across discontinuance studies.

In this case, the Postal Service has determined that HCR delivery under the administrative responsibility of the Winner Post Office is the most effective solution for providing regular and effective service to the Witten community. FD at 10. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. Thus, the Postal Service has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Witten Post Office on the provision of postal services and on the Witten community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Witten customers. FD at 10. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Witten Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Witten Post Office be affirmed

Respectfully submitted,

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